Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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In the Matter of

Assessment and Collection of Regulatory Fees for Fiscal Year 1995.

MD Docket No. 95-3

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JOINT REPLY COMMENTS OF ALLTEL MOBILE CORPORATION AND ALLTEL SERVICES CORPORATION

ALLTEL Mobile Corporation and ALLTEL Services Corporation (jointly "ALLTEL") respectfully submit their reply comments in the above-captioned rule making matter respecting the Commission's assessment and collection of regulatory fees for FY 1995. In support thereof, the following is respectfully set forth.

I. Cellular Services

As a general proposition, the various industry groups and wireless carriers shared ALLTEL's concerns respecting the Commission's proposal to both impose a dramatic increase in regulatory fees and change the unit upon which such fees are to be calculated. Further, the majority of comments questioned, as did ALLTEL, the Commission's methodology in allocating the amount of the regulatory appropriation to be recovered from the various services within a particular bureau's jurisdiction.²

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¹ In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 1995, MD Docket No. 95-3, FCC 95-14 (Released January 12, 1995) (NPRM). The NPRM noted that comments in this proceeding were to be filed on February 13, 1995 and reply comments were to be filed on February 28, 1995.

² <u>See</u>, for example, the comments of Mobilemedia Communications, Inc., The Personal Communications Industry Association, AirTouch Paging, and GTE Services Corporation.

It is clear on the face of the statute that the Commission is empowered to collect fees from those subject to its jurisdiction in an amount that equals the Commission's regulatory appropriation for a given fiscal year. It is equally clear that it is incumbent upon the Commission to assess fees in a fair manner and one which reflects the level of regulation of the various services, including any new service which consumes the Commission's resources during the fiscal year. ALLTEL again notes the difficulty the Commission will experience in resolving these concerns in the absence of the adoption of the detailed accounting procedures which Section 9(i) of the Communications Act of 1934, as amended, requires and the need for which the Commission has previously noted.³

GTE⁴ and others note that the Commission's proposal is ambiguous as to whether cellular carriers that also resell long distance services are to be subject to two fee payments based upon their status as both carrier and reseller. While there is some disagreement as to whether cellular resellers, on the one hand, and long distance resellers, on the other, should be subject to fees, ALLTEL believes that the Commission did not propose in the NPRM to subject facilities based cellular carriers to an additional fee based upon their resale of long distance service. Section G of the NPRM, in which the assessment of fees on long distance resellers was proposed, is entitled "Inter-exchange and Local Exchange Carriers,"

³ In the Matter of Section 9 of the Communications Act, Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year, 9 FCC Req. 5333 (1994).

See comments of GTE Service Corporation at pages 5-7.

Competitive Access Providers, Pay Telephone Providers and <u>other non-mobile providers of interstate service</u> (emphasis added). ALLTEL would strongly oppose the assessment of a second fee based upon long distance resale as "double counting". Inasmuch as the balance of the NPRM is silent on the matter, the Commission should clarify its decision to explicitly state that mobile providers of resold long distance services will not be subject to an additional regulatory fee.

II. Local Exchange Carriers

ALLTEL noted in its comments that, between the Commission's two proposed alternatives for assessing fees on local exchange carriers, (LECs) it preferred basing the fee on the number of presubscribed access lines. ALLTEL continues to oppose any methodology based upon minutes of use.

The vast majority of comments agree that minutes of use should be rejected as the basis for fee calculations.⁶ Further, and although not specifically proposed by the Commission as an option in the NPRM, many comments expressed a preference for calculating

⁵ The legislative intent of Section 9 is clear that where a facilities based carrier is charged a regulatory fee, any fee on a reseller should be assessed in a manner which does not result in a "double-counting" of the fee imposed on the reseller. <u>See</u> House Report 103-844, 103rd Cong. 2nd Session at 11.

⁶ <u>See</u>, for example, the comments of Allnet Communication Services, Inc., Bell Atlantic, Sprint Corporation, MCI Telecommunications Corporation, U.S. West Communications, Inc. and AmeriTech. NYNEX is one notable exception and advocated the adoption of the minutes of use option.

LEC fees on the basis of interstate access revenues.7

In view of the level of industry support, ALLTEL endorses the use of interstate access revenues as the basis for fee assessment over an access line methodology. Use of revenues would permit the Commission to equitably capture fees on the basis of data which would be easily compiled by carriers in a manner analogous to that used for funding the Telecommunications Relay Service. ALLTEL further notes that comments supporting the use of a revenue-based fee calculation were filed by parties representing a wide cross-section of the communications industry, including competitive access providers, interexchange carriers, and local exchange carriers. The Commission should strongly consider adopting a methodology that has received such broad-based industry support.

February 28, 1995

Respectfully submitted,

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⁷ <u>See</u>, for example, the comments of the National Exchange Carrier Association, Inc., Southwestern Bell Corporation, Teleport Communications Group, Inc., U.S. West Communications, Inc., MFS Communications Company, Inc. and AT&T Corp.

CERTIFICATE OF SERVICE

I, Susan F. Keesecker, do hereby certify that on this 28th day of February, 1995 I caused a true and accurate copy of the foregoing to be served, via first-class mail, postage prepaid to the attached list.

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